

IC Memorandum 02-10

TO: KEHP Insurance Coordinators

FROM: Department of Employee Insurance (DEI)
Financial Management Branch

RE: Process Updates

DATE: January 15, 2010



Commonwealth of Kentucky
Personnel Cabinet
Department of Employee Insurance
2nd Floor, State Office Building
501 High Street
Frankfort, Kentucky 40601

Web Site: <http://kehpn.ky.gov>

The Department of Employee Insurance has revised procedures affecting health insurance terminations for non-payment of premiums and requests for refunds. These procedures are effective for Plan Year 2010.

We have outlined the procedures below:

1. Termination for Non-Payment of Premiums

If health insurance premiums are not received for all employees within your agency within:

- 30 days, then you will receive notification via fax or email from DEI advising you that premiums are past due and must be received immediately.
- 45 days, then you, as well as your affected employees, will receive notification via fax or email, that health insurance coverage may be terminated and any claims paid by Humana will be recouped from the providers, and the employee will be responsible for paying the claims.
- 60 days, then you, as well as your affected employees, will receive notification via US Mail that health insurance covered will be terminated on the 15th or the 31st of the last paid semi-monthly period, if premiums are not received within two weeks from the date of the letter. Humana will recover any money paid to providers and your employee will be responsible for paying the provider out of his/her own pocket.

2. Refund of Premiums

A refund of premiums will only be given for up to two (2) prior billing periods. The only exception to this is death, in which premiums may be refunded up to the beginning of the Plan Year in effect at the date of death.

Example:

Qualifying Event is on May 5
Update Form is received October 7
Premiums will only be refunded for the two prior billing periods of August and September

KENTUCKY GROUP HEALTH
INSURANCE BOARD:

TIMOTHY LONGMEYER, CHAIRMAN
Personnel Cabinet

SHARON CLARK
Kentucky Department of Insurance

RICHARD DAVENPORT
Kentucky Education Support
Professional Association

JUDITH GAMBILL
Kentucky Teachers' Retirement System

BOBBY HENSON
Kentucky Retirement Systems

TERRY HOLLIDAY
Kentucky Department of Education

MARY LASSITER
Office of State Budget Director

TOMMY LOVING
Advisory Committee of State
Health Insurance Subscribers

CRIT LUALLAN
Auditor of Public Accounts

BRENT MCKIM
Kentucky Education Association

JONATHAN MILLER
Finance and Administration Cabinet

RONNIE O'NAN
Kentucky Transportation Cabinet

LAURE DUDGEON
Administrative Office of the Courts



Example:

Qualifying Event of *death* on May 5

Update Form is received October 7

When requested premiums will be refunded for up to the four and one half billing periods of May 16th, June, July, August, and September.

3. Credits

If a request for a refund is not received in a timely manner, then the credit on your bill will not be refunded beyond two prior billing periods.

The above procedures will be strictly enforced, so it is extremely important to submit all of your updates in a timely manner. If you have any questions please contact your agency's Financial Management Branch contacts.

